

**UNITED STATES BANKRUPTCY COURT  
WESTERN DISTRICT OF TEXAS  
MIDLAND DIVISION**

<b>In re:</b>	§	<b>Chapter 11</b>
	§	
<b>CCNG ENERGY PARTNERS, LP,</b>	§	<b>Case No. 15-70136</b>
<b>CCNG ENERGY PARTNERS GP, LLC,</b>	§	<b>Case No. 15-70141</b>
<b>MOSS BLUFF PROPERTY, LLC,</b>	§	<b>Case No. 15-70137</b>
<b>TRINITY ENVIRONMENTAL</b>	§	
<b>CATARINA SWD, LLC,</b>	§	<b>Case No. 15-70138</b>
<b>TRINITY ENVIRONMENTAL</b>	§	
<b>SERVICES, LLC,</b>	§	<b>Case No. 15-70139</b>
<b>TRINITY ENVIRONMENTAL SWD, LLC,</b>	§	<b>Case No. 15-70135</b>
<b>and TRINITY ENVIRONMENTAL</b>	§	
<b>TITAN TRUCKING, LLC,</b>	§	<b>Case No. 15-70140</b>
	§	
<b>Debtors</b>	§	<b>Joint Administration Requested</b>

**EMERGENCY MOTION FOR USE OF CASH COLLATERAL**

**TO THE HONORABLE RONALD B. KING, CHIEF U.S. BANKRUPTCY JUDGE:**

The above-captioned debtors and debtors-in possession (collectively, the “**Debtors**”) file their Emergency Motion for Use of Cash Collateral (the “**Motion**”):

**I. Case Background**

1. Debtors filed for relief under Chapter 11 of the United States Bankruptcy Code on October 12, 2015. The Debtors are operating as debtors-in-possession pursuant to 11 U.S.C. §§1107 and 1108. The Debtors have filed a motion seeking joint administration of these cases.

2. This Court has jurisdiction over this matter under 28 U.S.C. § 1334. This is a core matter pursuant to 28 U.S.C. § 157(b)(2)(M).

**II. Secured Debt At Issue**

3. Moss Bluff Property, LLC, Trinity Environmental Catarina SWD, LLC, Trinity Environmental Services, LLC, Trinity Environmental SWD, LLC, and Trinity Environmental

Titan Trucking, LLC are all wholly owned subsidiaries of CCNG Energy Partners, LP. CCNG Energy Partners GP, LLC is the general partner of CCNG Energy Partners, LP. CCNG Energy Partners, LP, Trinity Environmental Services, LLC, and Trinity Environmental SWD, LLC are all primary obligors on the approximately \$176 million debt (the “**Guggenheim Debt**”) to the lenders represented by Guggenheim Corporate Funding, LLC as administrative agent,<sup>1</sup> that precipitated the bankruptcy filings. Moss Bluff Property, LLC, Trinity Environmental Catarina SWD, LLC, and Trinity Environmental Titan Trucking, LLC guaranteed and pledged assets securing the Guggenheim Debt.

4. The Guggenheim Debt is documented by, inter alia, a Credit Agreement dated October 9, 2012, an Amended and Restated Credit Agreement dated May 17, 2013, a Second Amended and Restated Credit Agreement dated January 31, 2014, and a Third Amended and Restated Credit Agreement dated August 25, 2014 (collectively the “**Guggenheim Facility**”).

5. The indebtedness owed under the Guggenheim Facility is secured by substantially all of the Debtors’ assets (the “**Collateral**”), including accounts and accounts receivable.

6. Debtors are not aware of any other person or entity who claims a lien or security interest in any of the Debtors’ accounts receivable.

### **III. Debtors’ Business Operations**

7. Taken as a whole, the Debtors earn service revenue from the disposal of non-hazardous oil and gas exploration and production waste, such as mud cuttings and other solid oilfield waste along with waste water produced during the hydraulic fracturing and production processes, in addition to truck and oilfield equipment cleaning services. The Debtors earn product sales revenue from the sale of recovered oil and brine. The Debtors provide services to

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<sup>1</sup> Guggenheim is the Administrative Agent for Guggenheim Private Debt Fund Note Issuer, LLC, NZC Guggenheim Fund LLC, Guggenheim Energy Opportunities Fund, L.P., Verger Capital Fund LLC and Guggenheim Private Debt Master Fund, LLC. (collectively “Guggenheim”).

oil and natural gas drilling and production companies in natural resource producing areas of Texas. The Debtors' facilities service the Eagle Ford shale region in South Texas, the Permian Basin region in West Texas, the Haynesville shale region in East Texas, the Barnett shale region in Central Texas and others. Our two salt cavern facilities are located at the Moss Bluff salt dome in Liberty County, Texas (the "**Moss Bluff Facility**") and at the Palangana salt dome in Duval County, Texas (the "**Palangana Facility**"), and the Debtors' twenty-nine saltwater disposal wells and two freshwater stations located in the Permian Basin, the Barnett shale, the Eagle Ford shale, and south Texas. Additionally, the Debtors are the facility operator and owner of saltwater disposal wells, including the aboveground assets such as tanks, buildings, wash bays, and machinery. The surface and storage rights at the Palangana Facility, including the use of salt caverns, are leased by an affiliate from third parties and subleased to Debtors under a lease that is accounted for as an operating lease. Additionally, the Debtors own thirty six vacuum and winch trucks. The trucks are used primarily for the hauling and disposal of flowback and produced saltwater generated by oil and natural gas exploration and development activities.

#### **IV. Need for and Proposed Use of Cash Collateral**

8. Debtors need the revenues generated from the Collateral in order to pay normal and necessary operating expenses in connection with their business in order to preserve and protect the Debtors' business and the Estates and avoid immediate and irreparable injury. A proposed budget is attached as **Exhibit A**. Without the use of cash collateral, Debtors will be unable to operate their business and manage their affairs.

9. Debtors propose to use cash collateral in accordance with the proposed Budget up to a variance of 10% per line item. 11 U.S.C. § 363 prevents the Debtors from using "Cash Collateral" without the consent of the secured party. Counsel for Debtors is reviewing the

validity or perfection of the liens claimed by Guggenheim on the Collateral, but Debtors are not stipulating at this time to the validity or perfection of such liens for the purposes of an interim order. However, to the extent such liens and claims are valid and perfected, Lender is adequately protected in connection with the Debtors' use of Cash Collateral and continued operations of the Debtors' business.

10. To the extent necessary, and as adequate protection for Debtors' use of cash collateral, Debtors propose to grant a post-petition lien and all collateral which was pledged to the lienholder and was properly perfected, pre-petition. Other relevant terms of the proposed adequate protection are set forth in the proposed order which is served concurrently with this Motion and attached hereto as **Exhibit B**. Debtors respectively request that this Court authorize the use of Cash Collateral under 11 U.S.C. § 363 for ordinary and necessary expenses incurred by the Debtors to operate, maintain, preserve and protect their business and the Estate. The use of cash collateral, pursuant to the terms of the Budget is in the best interests of the Estates and the creditors. Debtors have provided notice of this Motion to Guggenheim, all parties listed on the mailing matrix, and to the United States Trustee in accordance with the Bankruptcy Rules and the Local Rules.

11. Debtors seek interim authority to use cash collateral on an emergency basis and authority to use cash collateral upon final hearing of this Motion.

WHEREFORE, PREMISES CONSIDERED, Debtors respectfully request that this Court authorize the use of Cash Collateral as heretofore requested. Debtors request such other and further relief as they may show themselves justly entitled.

Respectfully submitted,

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**PROPOSED ATTORNEYS FOR  
DEBTORS AND DEBTORS IN POSSESSION**

**CERTIFICATE OF SERVICE**

The foregoing was served on all persons on the attached list via first class mail on October 14, 2015.

/s/ Cleveland R. Burke

Cleveland R. Burke